

### ***Caution: DRAFT FORM***

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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

**SCHEDULE D  
(Form 1120S)**

Department of the Treasury  
Internal Revenue Service

**Capital Gains and Losses and Built-In Gains**

► Attach to Form 1120S.

► See separate instructions.

OMB No. 1545-0130

**2003**

Name

Employer identification number

**Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less**

(a) Description of property (Example, 100 shares of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year (Subtract (e) from (d))	(g) Post-May 5, 2003 gain or (loss)* (see <b>Note</b> below)
<b>1</b>						
<b>2</b> Short-term capital gain from installment sales from Form 6252, line 26 or 37					<b>2</b>	
<b>3</b> Short-term capital gain or (loss) from like-kind exchanges from Form 8824					<b>3</b>	
<b>4</b> Combine lines 1 through 3 in column (f)					<b>4</b>	
<b>5</b> Tax on short-term capital gain included on line 22 below					<b>5</b> ( ) ( )	
<b>6a</b> Combine lines 1 through 5 in column (g). Enter here and on Form 1120S, Schedule K, line 4d(1)					<b>6a</b>	
<b>6b</b> <b>Net short-term capital gain or (loss).</b> Combine lines 4 and 5 in column (f). Enter here and on Form 1120S, Schedule K, line 4d(2) or 6					<b>6b</b>	

**Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year**

(a) Description of property (Example, 100 shares of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year (Subtract (e) from (d))	(g) Post-May 5, 2003 gain or (loss)* (see <b>Note</b> below)
<b>7</b>						
<b>8</b> Long-term capital gain from installment sales from Form 6252, line 26 or 37					<b>8</b>	
<b>9</b> Long-term capital gain or (loss) from like-kind exchanges from Form 8824					<b>9</b>	
<b>10</b> Capital gain distributions					<b>10</b>	
<b>11</b> Combine lines 7 through 10 in column (f)					<b>11</b>	
<b>12</b> Tax on long-term capital gain included on line 22 below					<b>12</b> ( ) ( )	
<b>13</b> Combine lines 7 through 12 in column (g). Enter here and on Form 1120S, Schedule K, line 4e(1)					<b>13</b>	
<b>14</b> <b>Net long-term capital gain or (loss).</b> Combine lines 11 and 12 in column (f). Enter here and on Form 1120S, Schedule K, line 4e(2) or 6					<b>14</b>	

**Part III Built-In Gains Tax** (See instructions **before** completing this part.)

<b>15</b> Excess of recognized built-in gains over recognized built-in losses (attach computation schedule)	<b>15</b>	
<b>16</b> Taxable income (attach computation schedule)	<b>16</b>	
<b>17</b> Net recognized built-in gain. Enter the smallest of line 15, line 16, or line 7 of Schedule B	<b>17</b>	
<b>18</b> Section 1374(b)(2) deduction	<b>18</b>	
<b>19</b> Subtract line 18 from line 17. If zero or less, enter -0- here and on line 22	<b>19</b>	
<b>20</b> Enter 35% of line 19	<b>20</b>	
<b>21</b> Section 1374(b)(3) business credit and minimum tax credit carryforwards from C corporation years	<b>21</b>	
<b>22</b> <b>Tax.</b> Subtract line 21 from line 20 (if zero or less, enter -0-). Enter here and on Form 1120S, page 1, line 22b	<b>22</b>	

\* **Note:** Include in column (g) all gains and losses from column (f) from sales, exchanges, or conversions (including installment payments received) **after** May 5, 2003. However, **do not** include gain attributable to unrecaptured section 1250 gain, "collectibles gains and losses" (as defined on page 3 of the instructions) or the eligible gain on qualified small business stock (see page 3 of the instructions).

